



Transaction Privilege Tax Changes and News

This publication is an informational notice for September 2016.

Customer Care: (602) 255-3381 or toll-free from area codes 520 or 928: (800) 352-4090

www.azdor.gov or www.AZTaxes.gov

NEWS

TPT LICENSE RENEWALS

The department will process all TPT license renewals for all jurisdictions this fall. Businesses will receive one renewal notice per license from the department regardless of where the business is located. Look for more information at www.azdor.gov and your renewal notice in November/December.

COMING SOON – STREAMLINED FILING & PAYING YOUR TPT!

Effective January 1, 2017: Beginning with your January 2017 TPT return filed in February 2017 TPT return, the Arizona Department of Revenue will be the single point of administration and collection of state, county and municipal transaction privilege tax. Taxpayers will be able to file and pay for all jurisdictions to the department. This means if you currently report to a self-collecting city (i.e. non-program city), your last return to that city will be your December 2016 return filed in January 2017.

We strongly encourage taxpayers to file online via the AZTaxes.gov website for faster processing and fewer errors.

USING BUSINESS AND DEDUCTION CODES ON YOUR TPT RETURN

Many deduction codes can be used for several business activities, as allowed by statute or code. If a deduction claimed under a business activity is not applicable, the deduction will be disallowed.

NOTE: [Standardized lists of deduction codes](#) and [business code crosswalks](#) can be found on our website, www.azdor.gov

ARIZONA TAX RECOVERY PROGRAM

Through October 31, 2016, the State of Arizona is offering an opportunity for those who live, work, or do business in Arizona to pay any back taxes owed to the state without penalty, interest or criminal prosecution for those who qualify.

The taxable periods that are eligible for tax recovery are for those taxes due on an annual basis for any tax year ending before January 1, 2014. For example, an individual that owes back taxes for nonpayment or underpayment of individual income taxes may request tax recovery for tax years 2013 and prior.

Eligible taxable periods for monthly and quarterly filings are for those tax periods ending before February 1, 2015.

Taxpayers may elect to pay the tax liability in full on or before October 31, 2016 or elect to pay the full tax liability in installments over a 24 month period, ending no later than October 31, 2018.

In order to qualify for the Tax Recovery Program, applications must be filed by Monday, October 31, 2016. For questions or assistance, please visit our webpage at www.azdor.gov/taxrecovery.aspx or call (602) 716-6706 in the Phoenix area or toll free from area codes 520 and 928, (844) 660-2400.

RATE CHANGES

CITY OF SOUTH TUCSON

Effective October 1, 2016: On July 28, 2016, the Mayor and Council of the City of South Tucson passed Ordinance No. 16-04. Ordinance No. 16-04 amended the fee schedule; amended and inserted new sections to the South Tucson City Code, and repealing all resolutions, ordinances, and rules of the City of Tucson in conflict therewith and designating an effective date.

The tax rate for the following business classification will increase from **one and one half percent (1.5%)** to **two percent (2%)**: Hotel/Motel (Additional Tax) (ST 144).

The tax rate for the following business classification will increase from **two and one half percent (2.5%)** to **three and one half percent (3.5%)**: Hotel (ST 044).

The tax rate for the following business classifications will increase from **four and one half percent (4.5%)** to **five percent (5%)**: Telecommunications Services (ST 005) and Utility Services (ST 004).



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The tax rate for the following business classifications will increase from **four and one half percent (4.5%) to five and one half percent (5.5%)**:

Advertising (**ST 018**), Amusements (**ST 012**), Contracting – Prime (**ST 015**), Contracting - Speculative Builders (**ST 016**), Contracting - Owner Builders (**ST 037**), Job Printing (**ST 010**), Manufactured Buildings (**ST 027**), Publication (**ST 009**), Transporting (**ST 006**).

The tax rate for the following business classification will increase from **four and one half percent (4.5%) to six and one half percent (6.5%)**: Rental, Leasing, & Licensing for Use of TTP (**ST 214**).

The tax rate for the following business classification was **created** and **will be at four percent (4%)**: Commercial Lease (Additional Tax) (**ST 313**).

CITY OF GLOBE

Effective November 1, 2016: the Mayor and Council of the City of Globe passed Ordinance No. 834. Ordinance No. 834 amended the City Tax Code to increase the tax rate on certain business classifications from **two percent (2%) to two and three-tenths percent (2.3%)**.

The tax rate for the following business classifications will increase from **two percent (2%) to two and three-tenths percent (2.3%)**:

Advertising (**GL 018**), Amusement (**GL 012**), Contracting – Prime (**GL 015**), Contracting – Speculative Builders (**GL 016**), Contracting – Owner Builders (**GL 037**), Job Printing (**GL 010**), Manufactured Buildings (**GL 027**), Timbering and Other Extraction (**GL 020**), Publication (**GL 009**), Hotels (**GL 044**), Rental, Leasing, & Licensing for Use of Tangible Personal Property (**GL 214**), Restaurant and Bars (**GL 011**), Retail Sales (**GL 017**), Retail Sales Food for Home Consumption (**GL 062**), MRRA Amount (**GL 315**), Communications (**GL 005**), Transporting (**GL 006**), Utilities (**GL 004**).

The tax rate for the following business classification is excluded from the increase and will remain at **two percent (2%)**: Commercial Rental, Leasing, & Licensing for Use (**GL 213**).

The tax rate for the following business classification is excluded from the increase and will remain at **three percent (3%)**: Hotel/Motel (Additional Tax) (**GL 144**).

The tax rate for the following business classification is excluded from the increase and will remain at **one tenth of one percent (.10%)**: Severance – Metal Mining (**GL 019**).

TOWN OF JEROME

Effective November 1, 2016: On August 9, 2016, the Town Council of the Jerome passed Ordinance No. 420. Ordinance No. 420 amended the Town Tax Code to increase the tax rate on Transient Lodging and removed the exemption for tax on commercial rentals.

The tax rate for the following business classifications will increase from **two percent (2%) to three percent (3%)**: Hotel/Motel (Additional Tax) (**JO 144**).

Ordinance No. 420 revokes Local Option OO of the Model City Tax Code that prohibits the imposition of a Commercial Rental Tax. This **creates** the following business classification with a rate of **three and one half percent (3.5%)**: Commercial Rental, Leasing, & Licensing for Use (**JO 213**).